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DIVISION OF CONSUMER ADVOCACY  
Department of Commerce and  
Consumer Affairs  
335 Merchant Street, Room 326  
Honolulu, Hawaii 96813  
Telephone: (808) 586-2800

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PUBLIC UTILITIES  
COMMISSION  
FILED

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
 )  
MAUI ELECTRIC COMPANY, LIMITED )  
 )  
 )  
For Approval of Rate Increases and Revised )  
Rate Schedules. )

DOCKET NO. 2006-0387

**DIVISION OF CONSUMER ADVOCACY'S**  
**FOURTH SUBMISSION OF INFORMATION REQUESTS**

Pursuant to the Revised Procedural Schedule approved in Order  
No. 23496, the Division of Consumer Advocacy submits its **FOURTH SUBMISSION OF**  
**INFORMATION REQUESTS** in the above docketed matter.

DATED: Honolulu, Hawaii, July 24, 2007.

Respectfully submitted,

By Cheryl S. Kikuta  
CHERYL S. KIKUTA  
Utilities Administrator  
DIVISION OF CONSUMER ADVOCACY

**DOCKET NO. 2006-0387**

**MAUI ELECTRIC COMPANY, LIMITED**

**FOURTH SUBMISSION OF INFORMATION REQUESTS**

**INSTRUCTIONS**

In order to expedite and facilitate the Consumer Advocate's review and analysis in the above matter, the following is requested:

1. For each response, the Company should identify the person who is responsible for preparing the response as well as the witness who will be responsible for sponsoring the response should there be an evidentiary hearing;
2. Unless otherwise specifically requested, for applicable schedules or workpapers, the Company should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by the Company to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, Company instructions, or any other relevant authoritative source which the Company used.
4. Should the Company claim that any information is not discoverable for any reason:
  - a. State all claimed privileges and objections to disclosure;

- b. State all facts and reasons supporting each claimed privilege and objection;
- c. State under what conditions the Company is willing to permit disclosure to the Consumer Advocate (e.g., protective agreement, review at business offices, etc.); and
- d. If the Company claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that the Company claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).

**DOCKET NO. 2006-0387**

**MAUI ELECTRIC COMPANY, LIMITED**

**FOURTH SUBMISSION OF INFORMATION REQUESTS**

**General Information Requests.**

CA-IR-271

**Ref: Rate Case Activities/Expenses.**

Please provide the following information:

- a. Identify and describe any labor or non-labor expenses in the test year that are believed to be at higher than normal levels because of the rate case filing and related regulatory support responsibilities.
- b. Provide a comparative summary of annual historical labor and non-labor charges to each of the following activities for each year 2002 through 2006 actual in comparison to test year 2007 values.
  1. 735 Rate Case Filings
  2. 736 Pricing Analyses
  3. 737 Cost Recovery Filings
  4. 738 Other PUC Filings
  5. 739 PUC Capital Project Filings

CA-IR-272

**Ref: Legislative/Government Relations.**

Please provide the following information:

- a. Itemize and describe all labor and non-labor expenses by RA and NARUC Account in the test year that are charged to Activity 745 – Maintain Relations with Legislators and Governmental Agencies.
- b. Describe the goals and general purpose of activities undertaken and key issues addressed in connection with the itemization of expenses provided in your response to part a of this information request.
- c. Provide a comparative summary of annual historical labor and non-labor charges to Activity 745 for each year 2002 through 2006 actual in comparison to test year 2007 values.

CA-IR-273

**Ref: Institutional Goodwill Advertising.**

Please provide the following:

- a. Itemize and describe all labor and non-labor expenses by RA and NARUC Account in the test year that are charged to Activity 754 – Administer Institutional or Goodwill Advertising.
- b. Provide representative copies (or scripts for radio/TV) of advertising associated with the itemization of expenses

provided in your response to part a of this information request.

- c. Provide a comparative summary of annual historical labor and non-labor charges to Activity 754 for each year 2002 through 2006 actual in comparison to test year 2007 values.

CA-IR-274

**Ref: MECO Response to CA-IR-36, Attachment 1 (Non-Utility Property/Expenses).**

Please provide the following:

- a. Explain whether the Commission has made any determination regarding whether the listed property is utility or non-utility property, with reference to any such determination.
- b. Provide calculations and supporting documentation for the 2007 test year corrections that are believed to be needed, as referenced in your response to CA-IR-36.

CA-IR-275

**Ref: MECO response to CA-IR-28 (Efficiency Programs).**

In March 2005, MECO, HECO and HELCO renewed a Strategic Alliance Agreement with ABB Inc. Power Technologies Division.

Please provide the following information:

- a. In deciding to renew this agreement, were any studies prepared by, or for, MECO for purposes of evaluating the

cost savings or efficiencies expected to be realized during the term of this renewal agreement? Please explain.

- b. Since the renewal agreement was executed in March 2005, have any studies or analyses been prepared by or for MECO that are designed to quantify any cost savings or efficiencies actually realized as a result of this agreement? Please explain.
- c. Please provide a copy of any studies identified in response to parts (a) and (b) above.
- d. If the responses to parts (a) and (b) above indicate that no such studies have been or will be prepared, please explain how MECO determined that entering into this renewal agreement does result in cost savings and efficiencies.

CA-IR-276

**Ref: MECO response to CA-IR-28 (Efficiency Programs).**

Regarding the Strategic Alliance Agreement with ABB Inc. Power Technologies Division, please provide the following information:

- a. Do the terms of the Alliance Agreement include progress payments, target payments or incentive payments by MECO, HECO or HELCO provided that certain milestones, cost savings or benefit levels are achieved under the agreement? Please explain.

- b. If the response to part (a) above is affirmative, please describe each milestone, cost savings or benefit target and explain how actual attainment of each target is qualitatively or quantitatively determined.
- c. Please provide the amount of any payment amounts (by NARUC account) referenced in response to part (a) above actually incurred in 2006 and included in the 2007 test year forecast.

**Witness T-5 Mr. Ribao.**

CA-IR-277

**Ref: Response to CA-IR-79 (Capability and Heat Rate Tests).**

Please provide the following:

- a. Updated information and results obtained from the "capability test" scheduled for late July 2007, indicating any issues or deficiencies that are noted and the planned resolution of same.
- b. Updated information and results obtained from the "heat rate test" scheduled for July 2007, indicating any issues or deficiencies that are noted and whether any adjustment to rate case heat rate assumptions is required.



**Ref: Response to CA-IR-84, Attachment 1 (CT Hot Section Expenses).**

Please provide the following information regarding the historical and proposed costs for CT Hot Section Expenses:

- a. Attachment 1, page 5 indicates Hot Section expenses in boxed cells during actual 2001 through 2005 that vary from \$545,007 (M17 in 2004) to \$891,175 (M16 in 2002). Please explain differences in scope of work and other issues that explain the variability in such costs and provide overhaul report documentation associated with each Hot Section shown on this page.
- b. Attachment 1, page 12 indicates Hot Section expenses in boxed cells during actual 1995 through 1999 that vary from \$467,884 (M14 in 1999) to \$799,503 (M14 in 1995). Please explain differences in scope of work and other issues that explain the variability in such costs and provide overhaul report documentation associated with each Hot Section shown on this page.
- c. Explain and reconcile the amount of normalized Hot Section cost for M14 of \$811,717 at MECO-WP-505, page 1, to the information provided in your responses to parts (a) and (b) of this information request.
- d. Explain and reconcile the amount of normalized Hot Section cost for M16 of \$857,739 at MECO-WP-505, page 1, to the

information provided in your responses to parts (a) and (b) of this information request.

- e. Explain and reconcile the amount of normalized Hot Section cost for M17 of \$699,119 at MECO-WP-505, page 2, to the information provided in your responses to parts (a) and (b) of this information request.
- f. Explain and reconcile the amount of normalized Hot Section cost for M19 of \$821,080 at MECO-WP-505, page 2, to the information provided in your responses to parts (a) and (b) of this information request.

CA-IR-279

**Ref: Response to CA-IR-84, Attachment 1 (CT Major Overhauls).**

Please provide the following regarding the historical and proposed costs for CT Major Overhaul Expenses:

- a. Confirm that Attachment 1, page 5 indicates only one actual Combustion Turbine Major Overhaul occurred from 2001 through 2005 at a cost of \$1,918,639 (M14 in 2005). Please explain the scope of work and provide overhaul report documentation associated with this overhaul.
- b. Attachment 1, page 12 indicates Major Overhaul expenses in boxed cells occurred during 1999 at costs of \$1,194,155 (M14 in 1999) and \$928,616 (M16 in 1999). Please explain differences in scope of work and other issues that explain

the variability in such costs and provide overhaul report documentation associated with each Hot Section shown on this page.

- c. Explain all reasons why it is reasonable to use the actual Major Overhaul cost for M14 in 2005 of \$1,918,639 at MECO-WP-505, page 1, for Unit M14, while higher budgeted 2007 cost amounts of \$2,532,060 are used for M16, M17 and M19 Major Overhauls in the normalization calculations.
- d. Explain and reconcile the amount of normalized Major Overhaul expenses for M16, M17 and M19 of \$2,532,060 at MECO-WP-505, pages 1 and 2, to the information provided in your responses to parts (a) and (b) of this information request.

CA-IR-280

**Ref: MECO Response to CA-IR-85, part d (NOX Water).**

Please provide the following information:

- a. Explain the reasons why MECO intends to "retire the Osmonics system and replace it with a second EDI unit."
- b. Provide calculations of the annual operating expense impacts anticipated to result from retirement of Osmonics and addition of Ecell stacks in 2007.
- c. Provide complete copies of all business case studies or other economic analyses prepared by or relied upon by

MECO to use EDI in place of the older demineralization technology (Osmonics and Glegg).

- d. Provide updated actual 2007 monthly expenses in the format of page 3 amounts by EE, for all available months to date.

CA-IR-281

**Ref: MECO June 2007 Update T-5, page 1 and Attachment 3 (Materials Inventory).**

Please provide the following information:

- a. Explain all reasons why Maalaea inventory balances decline from \$6.72 million in April 2007 to \$6.43 million in May 2007.
- b. Explain why spare parts for M18 were included in MPP materials inventory and why such parts were reclassified on the books or in the forecast.
- c. State whether any adjustment to historical recorded MPP materials balances or rate case plant in service costs is needed to account for the spare parts reclassification.

CA-IR-282

**Ref: MECO Response to CA-IR-226, part b (KPP Structural Maintenance).**

Please provide the following:

- a. When did each of the KPP bulk fuel tanks last undergo an out-of-service inspection/repair and what was the cost of each such event?

- b. Has the KPP berm wall required substantial repairs in the last 10 years?
- c. If your response to part (b) is affirmative, please provide the dates and amounts of each such event.

CA-IR-283

**Ref: MECO T-5, page 21 (Maintenance Work Requirements).**

According to the testimony, "Production maintenance labor expense was determined by estimating the work requirements and the staffing necessary to perform this work." Please provide the following:

- a. Explain in detail how "work requirements" were quantified, indicating each metric used for such quantification.
- b. Provide complete copies of all studies, reports, analyses, projections and other documents associated with or supportive of your response to part (a) of this information request.
- c. Provide detailed comparative historical data for the years 2002 through 2007, to date, indicating how MECO measures and tracks "work requirements" that are performed by company personnel within each RA.
- d. Provide test year work requirements metrics, comparable to your response to part (c), by RA.

- e. Explain why MECO-WP-505, at the line captioned "TOTAL MPP DIESEL ENGINE OVHL MAINTENANCE" projects a reduction of budgeted non-labor Diesel maintenance overhaul costs that reduces projected expenses from \$2.2 million to \$0.9 million, yet MECO has not reduced its MGD staffing or labor hours to reflect the reduced work requirements.
- f. Explain and quantify all reasons why the lower diesel operating hours described at MECO T-5, page 18, will not cause a corresponding reduction in MPP maintenance work requirements and labor hours.

**Witness T-6 Mr. Herrera.**

CA-IR-284

**Ref: MECO Response to CA-IR-232 (T&D Staffing).**

Part (c) of CA-IR-232 asked why MECO believed it was appropriate for the T&D 2007 test year forecast to assume full staffing of 111 employees throughout the year when the Company had not yet achieved that level as of June 8, 2007. In response, MECO stated, in part: "...Since this rate case will establish rates beyond the 2007 test year, it is reasonable that these rates be set at a level that takes into consideration full staffing, which will be achieved in 2007 and carried forward into 2008 and beyond." Please provide the following:

- a. Does MECO believe that the test year forecast should reflect customer counts and sales volumes that may be achievable by 12/31/07 and carried forward into 2008 and beyond? Please explain.
- b. Does MECO believe that the test year forecast should be reduced to recognize that certain expenses expected to be incurred in 2007 will not be recurring into 2008 and beyond (e.g., nonrecurring software licensing costs)? Please explain.

CA-IR-285

**Ref: MECO response to CA-IR-233 (T&D Labor Requirements).**

Attachment 2 of the referenced response provides a summary of labor hour demands by RA for "Other Non O&M Productive Hours." Attachment 1 provides a further detail breakdown for RA: MDR. Please provide the following:

- a. The response to part (a) of CA-IR-233 states that the Accounting Department provides the Engineering Department with a 5-year capital expenditure forecast (\$) by blanket project category from which Engineering estimates labor hours. Please provide the following:
  - 1. Please provide the capital expenditure forecast (\$) provided to Engineering from which the Preliminary Budget Labor Hours were derived.

2. Please provide the capital expenditure forecast (\$) provided to Engineering from which the Preliminary 2007 Test Year Labor Hours were derived.
  3. Please identify and describe the key factors or considerations contributing to the 2,963 hour increase in MDR labor demands, as set forth on Attachment 1.
- b. Referring to Attachment 1, the 2007 test year labor hours for capital blanket project labor demand (14,375 hours) are significantly higher than the labor hours included in the preliminary budget (11,412 hours). Please provide the following:
1. Does the difference of 2,963 hours represent a need for one or more additional T&D employee positions that were added in deriving the 2007 test year forecast? Please explain.
  2. Does the difference of 2,963 hours represent hours that were reclassified from other T&D work requirements to support blanket projects? Please explain.
- c. The 14,375 hours in the "2007 test year labor hours" column of Attachment 1 ties to the 14,375 labor hours for RA: MDR on Attachment 2. Can a schedule similar to Attachment 1 (i.e., the original budget amount could be excluded if



burdensome to compile) be provided in support of the other T&D RA labor hours set forth on Attachment 2? Please explain.

- d. Referring to part (c) above, please provide a comparable schedule to Attachment 1 for the other T&D RA labor hours set forth on Attachment 2.

CA-IR-286

**Ref: MECO response to CA-IR-233 (T&D Labor Requirements).**

Attachment 1 provides a detail breakdown of RA: MDR labor hours associated with capital project labor demands. Please provide the following:

- a. Please confirm that Attachment 1 more accurately depicts "Other Non O&M Productive Hours" as that category appears on the labor input sheets. If this cannot be confirmed, please explain.
- b. Attachment 1 shows 650 hours for "MECO 2007 TY Rate Case" which is identified as Project M0000798 – clearing.
  1. Is Project M0000798 used by all Departments and RA's to accumulate rate case labor hours included in the 2007 test year forecast? Please explain.
  2. Please provide the labor hours for all departments (not just T&D) and by RA associated with the 2007 rate case.

3. Please provide the test year NARUC account distribution of the "clearing" associated with Project M0000798.

CA-IR-287

**Ref: MECO response to CA-IR-234 (T&D Labor Requirements).**

Attachment 1 represents two examples of the labor hour demands for Projects M0000807 and M0000810. According to this response, the respective project manager prepares the estimated project cost, including labor hours for each activity and labor class. Please provide the capital project forecast documentation from which the labor hours were extracted for the following projects:

- a. Project M0000807, Mahinahina Sub 50 Replacement Transformer 2, \$738,815; and
- b. Project M0000810, Napili Sub 29 Transformer 2 Replacement, \$741,654.

CA-IR-288

**Ref: MECO response to CA-IR-235 (T&D Labor Requirements).**

The referenced response indicates that T&D budgets for individual activity codes by RA in the aggregate, based on historical precedence (trending, distribution and averages). Part (a) also describes how this methodology was applied for MDK and Activity 478 – direct cable fault repairs. Please provide the following:

- a. Was a spreadsheet developed that examined historical data averages and trend rates for each T&D RA and activity? Please explain.
- b. Please list each T&D RA and activity and provide the following information:
  - 1. The 2007 test year forecast labor hours.
  - 2. Whether the 2007 test year forecast labor hours were based solely on historical averages and/or trending techniques.
  - 3. Whether the 2007 test year forecast labor hours, initially quantified using historical averages and/or trending techniques, were then further adjusted to consider specific program or project changes (e.g., new cable testing program).
  - 4. Whether the 2007 test year forecast labor hours were based on forecasting techniques other than historical averages and/or trending.
- c. Please provide the spreadsheet file, with intact cell formulae, on which the historical average and trending techniques were quantified in support of the 2007 test year labor forecast for each T&D RA and activity.

CA-IR-289

**Ref: MECO response to CA-IR-237 (Once Call).**

Please provide the following:

- a. It is unclear when MECO began collecting infrastructure location service ("locates") requests. Please clarify whether this data collection effort commenced with the implementation of the One Call program on January 1, 2006, or some later date.
- b. For each month since locates requests data has been collected, please provide the following:
  1. Number of requests received.
  2. Number of requests processed or worked.
  3. Direct labor hours expended.

CA-IR-290

**Ref: MECO responses to CA-IR-237 & CA-IR-238 (Once Call).**

The response to part (c) of CA-IR-238 indicates that MECO did not adjust any expense element in the 2007 test year forecast for a possible reduction in "dig ins" due to the fact that MECO is reimbursed by the responsible contractor for the cost of repairing the "dig ins." Further, CA-IR-237(f) estimates that the Company has underestimated the labor hours included in the 2007 test year forecast for infrastructure location services. Please provide the following:

- a. Since the Company did not reduce the 2007 labor forecast to recognize a possible reduction in the number of "dig ins," did the Company also not reduce the amount of contractor reimbursements? Please explain.
- b. How many labor hours have Company personnel historically spent repairing damage caused by "dig ins" over the past five years?
- c. In determining work requirements and personnel needs for inclusion in the 2007 test year forecast, did the Company consider the increased availability of its existing work force due to a possible reduction in "dig ins"? Please explain.

CA-IR-291

**Ref: MECO response to CA-IR-240 (EMS Project).**

The response to part (b) provides a detailed description of how the data supplied in response to CA-IR-2, Attachment 6E (pages 38-47) was used to derive the amounts set forth on CA-IR-2, Attachment 5 (page 3, items 135-137). Please provide the following:

- a. Referring to Item 135 (Attachment 5, page 3), is any portion of the on-site Areva support of \$102,800 considered to be nonrecurring in that these specific services will not be required beyond 2007? Please explain.

- b. Referring to Item 136 (Attachment 5, page 3), is any portion of the estimated cost of purchasing and installing an Oracle 9i Parallel Server data base either capital (i.e., non-O&M) in nature or otherwise considered to be nonrecurring in that such costs will not be required in 2008? Please explain.
- c. Referring to Item 137 (Attachment 5, page 3), is any portion of the estimated Areva consulting services considered to be nonrecurring in that such costs will not be required in 2008? Please explain.

**Witness T-7 Ms. Suzuki.**

CA-IR-292

**Ref: MECO Response to CA-IR-139 (Temporary Facilities).**

Please provide the following:

- a. Explain each reason why the negative values in certain years were reasonably included within the "historical five-year average" that served as the basis for test year estimates.
- b. Provide actual monthly 2005, 2006 and 2007, to date, recorded Temporary Facilities revenues by Division.

CA-IR-293

**Ref: MECO Response to CA-IR-140, part a (Postage Costs).**

Please provide the following:

- a. Actual monthly ICB postage billings from HECO for 2006 and each month of 2007, to date.
- b. Explain any significant variances in the data provided in response to part (a) of this information request, versus the \$21,060 monthly estimate for the test year at CA-IR-2, MECO T-7, Attachment B, page 47.

**Witness T-8 Ms. Suzuki.**

CA-IR-294

**Ref: MECO Response to CA-IR-248, Attachment A (IRP Expenses).**

Please provide the following:

- a. Monthly 2007 actual incremental IRP cost type detail in the format of Attachment A, for all available months of 2007 to date.
- b. Projected monthly 2007 incremental IRP cost type detail for each remaining month of 2007, subsequent to the actual data provided in your response to part (a) of this information request.
- c. Explain any individually large remaining projected cost items or activities contained in your response to part (b) of this information request.

**Witness T-11 Ms. Wachi.**

CA-IR-295

**Ref: MECO Response to CA-IR-25, Attachment A (MECO Staffing Levels).**

Please provide the following:

- a. Update the tables showing actual versus budget staffing by RA as of 6/30/2007.
- b. Explain any differences between the "Budget" column values in your response to part (a) of this information request and the staffing levels actually contained in the Company's rate case filing.

**MECO T-14 Ms. Arase.**

CA-IR-296

**Ref: MECO response to CA-IR-185 & MECO T-14 June 2007 Update (Plant Additions).**

CA-IR-185 referred to MECO-WP-1401B and sought the Company's best estimate of 2007 plant additions, with project number, completion date and expenditures. MECO T-14's June 2007 Update, specifically Attachment 1, pages 2-4, appears to be an update of MECO-WP-1401B. Please provide the following information:

- a. All of the project amounts supplied in response to CA-IR-185 appear on the updated MECO-WP-1401B, but not all project amounts on updated MECO-WP-1401B appear in the



response to CA-IR-185. Why do the two documents not contain identical project information? Please explain.

b. Referring to part (a) above, please explain why each of the following projects, for example, appear on updated MECO-WP-1401B but not the response to CA-IR-185:

1. M3141001, MPP M18-18 MW Steam Turbine NI, \$3,887,239;
2. M0000690, T&D SCADA Equipment, \$115,669;
3. M0000819, LCM-Substation Equipment, \$163,948;
4. M7000000, Overhead Services & Extensions, \$837,998; and
5. M9800000, Vehicle Purchases, \$364,400.

CA-IR-297

**Ref: MECO-WP-1401B & MECO T-14 June 2007 Update (2007 Plant Additions).**

MECO T-14's June 2007 Update, specifically Attachment 1, pages 2-4, appears to be an update of MECO-WP-1401B. These updates to the Company original workpapers identify fifteen (15) construction projects expected to be completed during 2007 that exceed \$500,000. Please provide the following information:

a. Please provide the most current and complete Project Initiation Authorization ("PIA") or Project Identification Form ("PIF") packet for each project.

- b. If the 15 projects include blanket projects, which require different authorization or documentation formats, please provide such information in lieu of the PIF/PIA documentation requested in part (a) above.
- c. If the responses to parts (a) and (b) above do not contain project feasibility studies, cost savings estimates, estimated construction and project completion dates, identification of retirements or related costs of removal, please provide the following:
  - 1. Does MECO routinely prepare such information associated with each of the 15 projects in addition to the information requested in parts (a) and (b) above?
  - 2. If so, please provide such information for each of these projects in addition to the information requested in parts (a) and (b) above.
  - 3. If not, please explain why such information is not routinely prepared and considered in conjunction with the construction planning and project management process.

CA-IR-298

**Ref: MECO response to CA-IR-185 & MECO T-14 June 2007 Update (In-Kind CIAC).**

The referenced documents show 2007 plant additions in the amount of \$6,931,456 for Project M8020000, In-Kind CIAC Maui.

Please provide the following:

- a. Please describe the general conditions and types of projects for which MECO receives "in-kind CIAC."
- b. Please provide a detailed listing of the individual projects that are associated with the \$6,931,456 of In-Kind CIAC.
- c. Referring to part (b) above, please confirm that the In-Kind CIAC has not been double counted in the 2007 plant additions – first in the originating project number and also in M8020000. If this cannot be confirmed, please explain.

CA-IR-299

**Ref: MECO response to CA-IR-190 (2007 Plant Additions, CIAC & Customer Advances).**

The referenced response provided CIAC and customer advance information for specific projects, but not "programs" because of the burden of reviewing hundreds of service/work orders associated with said programs. Please provide the following:

- a. Please define the reference to "programs" as used in this context.
- b. Please identify the specific "programs" included in the 2007 plant addition forecast, as included in the June 2007 Update.

- c. Is it possible for the Company to provide the information requested by CA-IR-190 for a specific category or group of common programs or would the required review still entail hundreds of service/work orders? Please explain.
- d. Please explain how MECO administers the hundreds of service/work orders on a day to day basis to ensure that customers, or third parties, are billed appropriately for any applicable CIAC or customer advance amounts.

CA-IR-300

**Ref: MECO response to CA-IR-190 (2007 Plant Additions, CIAC & Customer Advances).**

The referenced response provided CIAC and customer advance information for specific projects. Please provide the following:

- a. Do the listed CIAC amounts represent In-Kind or Cash contributions? Please explain.
  - 1. Regarding any amounts that are associated with In-Kind CIAC, please identify which projects are also encompassed by Project M8020000, In-Kind CIAC Maui.
- b. Please confirm that the CIAC and Customer Advances in the column "Amount Collected as of 12/31/06" are included in the beginning balance of the average test year rate base offset. If this cannot be confirmed, please explain.

- c. Please confirm that the CIAC and Customer Advances amounts set forth in the columns "Amount Collected in 2007" and "Amount Yet to Be Collected in 2007" are included in the ending balance of the average test year rate base offset. If this cannot be confirmed, please explain.
- d. Please confirm that the CIAC and Customer Advances in the column "Amount Expected to be Collected and Recorded in 2008" have been excluded from the ending balance of the average test year rate base offset. If this cannot be confirmed, please explain.

**Witness T-18 Mr. Young.**

CA-IR-301

**Ref: MECO T-18 (Revenue Increase Distribution).**

Please provide the following:

- a. Explain all reasons for the proposed equal percentage increase, in light of Cost of Service results that appear to support relatively higher Schedule R, H and F increases and relatively smaller G, J and P increases for Maui.
- b. Describe whether the MECO proposed revenue distribution is influenced by the approximately 5.3 percent overall increase and how the proposal would differ at higher or lower revenue levels.

CA-IR-302

**Ref: MECO Schedule P Rate Design.**

Please provide the following:

- a. Explain the reasons for very dissimilar Schedule P customer charges at present rate levels and explain MECO's philosophy in terms of moving such charges in proposed rates closer to cost of service or to parity among islands.
- b. Explain the reasons for very dissimilar Schedule P customer charges at present rate levels and explain MECO's philosophy in terms of moving such charges in proposed rates closer to cost of service or to parity among islands.
- c. Explain whether MECO is concerned with the relative size or percentage change for the Company's proposed demand charge increases, with respect to customer impacts or existing disparity in such charges between islands at present rate levels.

CA-IR-303

**Ref: MECO T-18, page 30 (Rider T Terms).**

A provision is proposed to allow customers to do emergency maintenance without impacting on-peak billing demands. Please provide the following:

- a. Explain why this change is believed to be needed, with reference to specific circumstances where customer impacts have been experienced due to emergency maintenance.

- b. What is the expected annual revenue impact, if any, associated with the proposed change?

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **DIVISION OF CONSUMER ADVOCACY'S FOURTH SUBMISSION OF INFORMATION REQUESTS** was duly served upon the following parties, by personal service, hand delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR § 6-61-21(d).

EDWARD L. REINHARDT  
PRESIDENT  
MAUI ELECTRIC COMPANY, LIMITED  
P. O. Box 541  
Honolulu, Hawaii 96733-6898

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DEAN K. MATSUURA  
DIRECTOR - REGULATORY AFFAIRS  
HAWAIIAN ELECTRIC COMPANY, INC.  
P. O. Box 2750  
Honolulu, Hawaii 96840-0001

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PETER Y. KIKUTA, ESQ.  
GOODSILL, ANDERSON, QUINN & STIFEL  
1800 Alii Place  
1099 Alakea Street  
Honolulu, Hawaii 96813

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Counsel for Maui Electric Company, Limited

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*Desiree Sporch*